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PROCUREMENT OFFICE  
STATE OF HAWAII

STATE PROCUREMENT OFFICE  
NOTICE OF AND REQUEST FOR EXEMPTION  
FROM CHAPTER 103D, HRS

HAR-ED  
0957.12

Date: July 8, 2011

1. TO: Chief Procurement Officer  
2. FROM: Transportation/Harbors Division

Department/Division/Agency

Pursuant to §103D-102(b)(4), HRS, and Chapter 3-120, HAR, the Department requests a procurement exemption to purchase the following:

3. Description of goods, services or construction:

Construction services are needed to construct an approximately 1.7 acre asphalt-concrete pavement area for Harbors Project No. H.C. 10354 Construction of Pier 29 Container Yard, Honolulu Harbor. Currently, the plans indicate this area will be filled with 6-inch thick gravel. However, the future user, Aloha Cargo Transport (ACT), has stated that this will not hold up to their anticipated use and request a more permanent surface to accommodate their anticipated usage. Our consultant has recommended a 4-inch thick asphalt-concrete pavement.

4. Name of Vendor: Watts Constructors, Inc. (Watts)

Address: 737 Bishop Street, Suite 2900  
Honolulu, HI 96813

5. Price:

\$150,000

6. Term of Contract:

From: ~~Oct. 2010~~ 4/1/11

To: ~~Dec. 2011~~ 12/31/11

7. Prior Exemption Ref. No.

8. Explanation describing how procurement by competitive means is either not practicable or not advantageous to the State: Watts is the contractor for H.C. 10354 Construction of Pier 29 Container Yard, Honolulu Harbor. Their contract is for approximately \$23 million, of which 77.7% will be reimbursed by the US DOT Maritime Administration (Marad). The Harbors Division was awarded a TIGER grant from Marad in early 2010 and the Grant Agreement was finalized in July 2010. This proposed pavement work has been deemed eligible for reimbursement from Marad (see attached). Therefore, it is advantageous to the State to complete this work under this current project and only have to pay 22.3% of the total cost as opposed to hiring a new contractor and being responsible for 100% of the cost. It is also advantageous to complete this work as soon as possible so that ACT can move their operations to Pier 29 and relieve the congestion at Piers 1 and 2.

9. Details of the process or procedures to be followed in selecting the vendor to ensure maximum fair and open competition as practicable:

Harbors Division intends to negotiate the price for the additional work with Watts. This price will be based on an existing bid item for similar work within the contract. Upon successful negotiation, a change order will be executed to accomplish the work. As the contractor currently on the project, Watts has the resources on site to complete the work for the least cost and do it most expeditiously.

10. A description of the agency's internal controls and approval requirements for the exempted procurement:

The Harbors Division will identify the scope of work and negotiate a price with Watts to provide construction services for the work to be accomplished. The Harbors Division will approve and process the change order. After finalization, the Harbors Division Construction Section will oversee and monitor the progress of work.


**REQUEST FOR EXEMPTION FROM CHAPTER 103D, HRS (Cont.)**

12. A list of agency personnel, by position, who will be involved in the approval process and administration of the contract:			
Name	Position	Involvement in Process	
Randal Hiraki <i>RH</i>	Harbors Project Manager	<input type="checkbox"/> Approval	<input checked="" type="checkbox"/> Administration
Richard Yoneda <i>RY</i>	Harbors Construction Engineer	<input type="checkbox"/> Approval	<input checked="" type="checkbox"/> Administration
Carter Luke <i>CL</i>	Engineering Program Manager	<input checked="" type="checkbox"/> Approval	<input type="checkbox"/> Administration
Randy Grune <i>RG</i>	Harbors Deputy Director	<input checked="" type="checkbox"/> Approval	<input type="checkbox"/> Administration
Jadine Urasaki <i>JU</i>	CIP Deputy Director	<input checked="" type="checkbox"/> Approval	<input type="checkbox"/> Administration
Glenn Okimoto <i>GO</i>	Director of Transportation	<input checked="" type="checkbox"/> Approval	<input type="checkbox"/> Administration

13. Direct inquiries to:	Department: Transportation Contact Name: Carter Luke Phone Number: 587-1962 <b>71862</b> Fax Number: 587-1864
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Agency shall ensure adherence to applicable administrative and statutory requirements

14. *I certify that the information provided above is, to the best of my knowledge, true and correct.*

  
 \_\_\_\_\_  
 Department Head

**JUL 07 2011**  
 \_\_\_\_\_  
 Date

Reserved for SPO Use Only	
15. Date Notice Posted <u>7/13/2011</u>	
The Chief Procurement Officer is in the process of reviewing this request for exemption from Chapter 103D, HRS. Submit written objections to this notice to issue an exemption from Chapter 103D, HRS, within seven calendar days or as otherwise allowed from the above posted date to: <div style="margin-left: 100px;">           Chief Procurement Officer            State Procurement Office            P.O. Box 119            Honolulu, Hawaii 96810-0119         </div>	
Chief Procurement Officer's comments: <div style="margin-top: 20px;"> <p>Approval is granted for the period 09/01/11 to 12/31/11 and is limited to the approximate 1.7 acre asphalt-concrete pavement area for the Harbor Project No. H.C. 10354, Construction of Pier 29 Container Yard, Honolulu Harbor. All other original terms and conditions shall apply. This approval is for the solicitation process only, HRS section 103D-310(c) and HAR section 3-122-112, shall apply and award is required to be posted on the Awards Reporting System.</p> </div>	

16. ☒ **APPROVED**    ☐ **DISAPPROVED**    ☐ **NO ACTION REQUIRED**

      **7/27/2011**  
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 Chief Procurement Officer      Date